

# Utah Insurance Department

## Content Standards

### Group Term Life Insurance

NOTE: These Standards are provided to assist the insurer in filing forms and rates. They are not intended to be all inclusive and are a work in progress. References beginning with "31A" refer to the insurance code as part of Utah Code Annotated (U.C.A.) and those beginning with "R590" refer to department rules as part of the Utah Administrative Code (U.A.C.). The comments are a brief synopsis of the referenced material and do not contain all requirements or exceptions. All references should be reviewed for compliance. **As required by U.C.A. § 31A-21-201(2), the insurer is responsible for assuring that forms and rates submitted are in compliance with the Utah Insurance Code and Rules.**

GENERAL REQUIREMENTS		
Accurate, Consistent & Complete Filing Data	31A-2-202(6) R590-226-5	All filing information and data must be accurate, complete and consistent within all filing documents. The data page must contain amounts consistent with the actuarial memorandum and demonstration of values. Failure to comply may subject the insurer to enforcement penalties under 31A-2-308.
Agency	31A-23a-410 31A-23a-411	The policyholder is considered an agent for the insurer if the policyholder performs certain functions for the insurer. An example of such functions is collecting premiums.
Amendments or Endorsements	31A-21-106(2)	The contract may not be modified unless the modification is in writing and agreed to by the party against whose interest the modification operates.
Application and Enrollment Forms	31A-21-201(3)	The application and enrollment form must identify the insurer's name and address. The individual application or enrollment form must disclose that the individual is applying for group insurance and it must identify the master policyholder. The application or enrollment form may not contain vague health questions without a time limit. Negative enrollment or negative consent is not allowed.
Arbitration	31A-21-314 R590-122 Bulletin 96-8	An arbitration provision must be properly disclosed in the policy, certificate, application and enrollment forms and must be in compliance with law and rules.
Assignment	31A-22-412	An assignment provision must allow the owner of any rights in the policy to assign any of those rights.
Autopsy & Physical Examination	31A-22-417	Autopsy and/or physical examination is at the company's expense.
Certificate	31A-21-311	An insurer issuing a group insurance policy must provide a certificate for each member of the insured group. The certificate must contain a summary of the essential features of the coverage including any rights of conversion to an individual policy.
Claims Settlement	31A-26-301(1) R590-191-4 R590-191-5	All proceeds and claims settlement provisions must provide for prompt claim handling. Interest must be paid if the claim is not settled within 15 days of completion of the investigation.
Continuation of Coverage during Total disability	31A-22-520	An insured person may continue coverage during total disability by timely payment of premium that would have been required and upon the conditions allowed by the law.
Conversion	31A-22-517 31A-22-518	If any portion of the insurance on a covered person ceases, the person is entitled to conversion to an individual life insurance policy, without providing evidence of insurability. The conversion privilege is available to a surviving dependent at the death of the employee or member and to the dependent upon termination of coverage of the dependent. Portability does not satisfy conversion rights.
Coverage Name, Description & Special Features	31A-21-201(3)(a)	The coverage name or title, a brief description of the coverage and any special features must be disclosed on the policy cover; i.e. term to 95, etc.
Data Page	R590-226-7	The data page must disclose the specific data for the coverage including the benefits, amounts, durations, premium information, and any other benefit data applicable to the insured. All filing data must be consistent with the actuarial memorandum and other filing documents.
Death Benefit	31A-21-201(3)	The policy must clearly describe the death benefit and how the proceeds are determined.

Death Benefit Exclusions	31A-21-201(3)	Exclusions such as war, participation in a riot, commission or attempt to commit a felony or assault are not allowed in a life insurance policy. Such exclusions are not in the public interest. On an individual issue basis, a war exclusion endorsement may be added to a policy with consent of the policyholder.
Definitions	31A-21-201(3)	All definitions must be complete and consistent throughout the master policy and certificate.
Dependent Coverage	31A-22-511	A policy on which no part of the premium for the dependent coverage is contributed by the covered person, must insure all insured persons, including their spouse and dependent children.
Entire Contract Provision	31A-22-424	Entire contract provision must define the documents and agreements that constitute the entire contract.
Examination Period	31A-22-423	Subject to the exceptions in 31A-22-423(2), the certificate must provide an examination period of 10 days for new issues and 20 days for replacement policy is required. A refund of premium is required upon return of the policy within the examination period.
Expiry Date, Renewal Dates	31A-21-301(1)(f)	The expiration date and any renewal dates must be clearly described.
Filing of Forms	31A-21-201 R590-226-5 R590-226-7	Forms are accepted on a "FILE AND USE" basis. It is the insurer's responsibility that the filing is in compliance with Utah law and rules.
Grace Period	31A-22-402	Grace period entitles the policyholder to at least a 31-day grace period during which the policy continues in full force.
Illustration	R590-177-10	When the policy is illustrated, the illustration provision allows for one free illustration per year.
Incontestability	31A-22-403	Incontestability provision states that the policy is incontestable after it has been in force during the lifetime of the insured for a period of two years. The code does not allow an exception for fraud. A survivor policy is incontestable after it has been in force during the lifetime of the surviving insured for a period of two years.
Incorporation by Reference	31A-21-106 Bulletin 96-9	Except as provided in 31A-21-106(1)(b), no policy may contain any agreement or incorporate any provision not fully set forth in the policy.
Insurability	31A-22-512	The policy must contain provisions describing the conditions for eligibility.
Insurable Interest	31A-21-104	Policyholders in group insurance contracts need no insurable interest if certificate holders or persons other than group policyholders who are specified by the certificate holders are the recipients of the proceeds of the policies. An employer or employer sponsored trust may have limited insurable interest.
Insurer Name	31A-21-201(3)(a)(iii) 31A-21-301(1)(a)	The exact name of the insurer, the administrative office address, and state of domicile must be identified conspicuously on the policy.
Jurisdiction	31A-1-105(2) 31A-1-301 Bulletin 87-7	Group contracts of insurance issued to nonresident policyholders (i.e., trusts or associations) and evidenced by certificates of insurance issued to Utah residents are subject to the commissioner's jurisdiction as the business of insurance under 31A-1-301 and 31A-1-105(2). The commissioner presumes by law to have jurisdiction over these activities unless the insurer can establish an exemption from regulation under 31A-1-103.
Limitation of Actions	31A-21-313 31A-21-314	Such provisions may not restrict the time for beginning an action to earlier than 60 days and no more than three years from the date the cause of action accrues. The provision may not deny Utah courts of jurisdiction. The provision cannot prescribe in what court an action may be brought.
Misstatement of Age and/or Sex	31A-22-405	Policy must state that if the age and/or sex of the insured is misstated in an application and the error is not adjusted during the person's lifetime, the amount payable is what the premium paid would have purchased at the correct age and/or sex.
Notice of Termination	31A-22-522	Policy requires policyholder to provide a notice of termination in writing 30 days prior to termination. Notice includes rights to convert.
Payment of Values	R590-98	A request for payment of values must be processed within the allowable time limits.
Premiums	31A-21-302	Premiums for the policy and for each rider must be clearly disclosed separately on the data pages. Policy fees and charges must be disclosed separately.
Premium Adjustment Provision	31A-21-301(3) R590-177	If the policy allows for premiums to be adjusted, then the policy must include an adjustment provision describing the criteria the company will follow if premiums are adjusted.
Proof of Loss	31A-21-312	Proof of loss provision allows the insured or claimant to file the notice and/or proof of loss as soon as reasonably possible. Failure to file within the time specified does not invalidate a claim if the insured or claimant shows that it was not reasonably possible to file within the time specified and that notice and/or proof was filed as soon as reasonably possible. The provision may not state that in no event, except in the absence

		of legal capacity, may proof be filed later than the time proof is otherwise required.
Reinstatement	31A-22-407 R590-108	Policy allows reinstatement within three years of the date of premium default
Renewability	31A-21-301	A policy that is renewable shall state the conditions of Renewability. The policy must contain a schedule of guaranteed premiums for the renewal periods.
Reservation of Discretion	R590-218	Pursuant to Rule R590-218, the use of reservation of discretion clauses in forms that are not associated with ERISA employee benefit plans, is prohibited. The rule creates safe harbor language that may be used in ERISA cases when the insurance company is designated as the plan administrator. When filing a policy for use in both ERISA and non-ERISA cases, only one contract needs to be filed; however, the reservation of discretion provision must be contained within brackets [ ] as a variable item and the cover letter must clearly explain the limited use of the reservation of discretion clause.
Settlement Options	31A-22-406	If the policy provides that proceeds may be payable in installments that are determinable at the issue of the policy then it shall provide a table showing the amounts and intervals of the installments.
Suicide Exclusion	31A-22-404	Suicide is only allowed as a defense to a claim during the first two years from the date coverage is effective and for the two years after an increase in coverage. The policy must provide for return of premium.
Unfair, Misleading, Deceptive Provisions.	31A-21-201(3)(a)	Forms may not be inequitable, unfairly discriminatory, misleading, deceptive, obscure, unfair, encourage misrepresentation, or not in the public interest. The policy may not contain inconsistent, ambiguous or misleading clauses.
Variability - (bracketed data)	31A-21-201 R590-226-6 R590-226-7	Any information that is variable must be bracketed and must be explained in a statement of variability. Any change in the items contained within the brackets must be refiled prior to use.
<b>MARKETING and DISCLOSURE FORMS</b>		
Basic Life Illustration	R590-177	Basic Life Illustration complies with the requirements of the rule.
<b>ACTUARIAL DOCUMENTS</b>		
Actuarial Memorandum, Demonstration, and Certification of Compliance	31A-17 Part 5 31A-22-408 R590-198-3.A.(5) R590-226-6	Actuarial memorandum, demonstration, and certification comply with the requirements of the rule and applicable law.
Illustration Actuary and Company Officer Certification	R590-177 R590-226-6	Illustration actuary and company officer certification must be included in the filing for any illustrated policy.